98th Congress
1st Session

COMMITTEE PRINT

S. PRT.
98-31

REPORT

TO THE

SENATE COMMITTEE ON THE BUDGET

PURSUANT TO

SECTION 301(c) OF THE
CONGRESSIONAL BUDGET AND IMPOUNDMENT
CONTROL ACT OF 1974

FROM THE

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

MARCH 1st REPORT

MARCH 1983

Printed for the use of the Senate Committee
on Environment and Public Works

U.S. GOVERNMENT PRINTING OFFICE
17-242 O WASHINGTON : 1983

S322-3

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ROBERT T. STAFFORD, Vermont, *Chairman*

HOWARD H. BAKER, JR., Tennessee
JOHN H. CHAFEE, Rhode Island
ALAN K. SIMPSON, Wyoming
JAMES ABDNOR, South Dakota
STEVE SYMMS, Idaho
PETE V. DOMENICI, New Mexico
DAVE DURENBERGER, Minnesota
GORDON J. HUMPHREY, New Hampshire

JENNINGS RANDOLPH, West Virginia
LLOYD BENTSEN, Texas
QUENTIN N. BURDICK, North Dakota
GARY HART, Colorado
DANIEL PATRICK MOYNIHAN, New York
GEORGE J. MITCHELL, Maine
MAX BAUCUS, Montana

BAILEY GUARD, *Staff Director*
JOHN W. YAGO, JR., *Minority Staff Director*

LETTER OF TRANSMITTAL

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., March 1, 1983.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the Committee on Environment and Public Works, we transmit our report to the Committee on the Budget as required by section 301(c) of the Congressional Budget Act of 1974.

The Committee report is the result of a careful examination of all the programs under its jurisdiction. The Environment and Public Works Committee held two days of hearings. Because of the expedited schedule for consideration of the First Concurrent Budget Resolution, several agencies were asked to submit written testimony on their fiscal year 1984 budget requests so that a complete record could be compiled despite the shortened time available. All Committee members have participated in the hearing and markup process.

The Members of the Environment and Public Works Committee believe it is important to reduce the Federal deficit and restrain Federal spending. After careful analysis, we have recommended constant levels of spending wherever possible, and have recommended increases only in areas where we believe it is absolutely necessary. We hope that our recommendations and the information provided on each program will help your Committee in carrying out its responsibilities.

Sincerely yours,

ROBERT T. STAFFORD,
Chairman.

JENNINGS RANDOLPH,
Ranking Minority Member.

CONTENTS

	Page
New budget authority	1
General overview	3
Dedicated funds:	
Federal-aid highways	3
Natural resources and the environment:	
Water resources	3
Environmental Protection Agency	4
Fish and Wildlife Service	4
Legislative initiatives	4
Out-year budget projections	4
Federal Highway Administration	7
Nuclear Regulatory Commission	9
Water resources	11
Background	11
Committee recommendations:	
Spending levels	12
New project cost sharing	12
User charges	13
Water research and coordination	13
Water policy	13
Fish and Wildlife Service	15
Resource management	15
Construction and anadromous fish	16
Land acquisition	16
Environmental Protection Agency	17
Operating budget	17
Salaries and expenses	17
Research and development	17
Abatement, control, and compliance	18
Wastewater treatment grants	20
Superfund	20
Tennessee Valley Authority	23
Disaster relief	25
Public Buildings Service	27
Budget accounting	27
Leasing vs. ownership	28
Full funding of leases	28
Policy implications of S. 452 relative to current policy	28
Infrastructure/jobs/economic stimulus	29

PROGRAMS WITHIN THE JURISDICTION OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FISCAL YEARS 1982, 1983, AND 1984

NEW BUDGET AUTHORITY

[In millions of dollars]

	1982 actual	1983 appropriation	1984 request	1984 committee recommendation
Direct spending authority, FHWA:				
Budget authority	8,512.0	13,020.3	13,417.1	13,417.1
Obligation limitation	8,000.0	[1] 12,100.0	12,600.0	12,600.0
Appropriated programs:				
Nuclear Regulatory Commission	465.7	462.5	466.8	466.8
Corps of Engineers	3,001.8	2,993.2	[2] 2,594.1	2,921.5
Construction, general	(1,430.0)	[3] (1,421.4)	[3] (905.7)	.....
Water Resources Council	3.9	3.9	0	.....
Water Research [4]	13.4	14.1	.5	36.2
Fish and Wildlife Service	431.2	467.4	475.9	503.0
Appropriations requested	(260.9)	(293.6)	(266.5)	(293.6)
Permanent appropriations and trust funds	(170.3)	(173.8)	(209.4)	(209.4)
Kennedy Center (NPS)	4.2	4.2	4.3	4.3
Council on Environmental Quality	.9	.9	.9	1.0
Environmental Protection Agency	3,676.0	3,679.7	3,658.6	3,950.3
Operating budget	(1,086.0)	(1,039.7)	(948.6)	(1,140.3)
Construction grants	(2,400.0)	(2,430.0)	(2,400.0)	(2,500.0)
Superfund	(190.0)	(210.0)	(310.0)	(310.0)
Tennessee Valley Authority	129.2	129.2	122.5	122.5
Disaster Relief	307.8	136.1	6.3	6.3
Program	(301.7)	(130.0)	(0)	(0)
Salaries and expenses	(6.1)	(6.1)	(6.3)	(6.3)
General Services Administration [5]	0	0	0	0
Total, appropriated programs	8,034.1	7,891.2	7,329.9	8,011.9
Minus: Offsetting receipts (navigation and recreation user fees)	.....	.....	454.0	327.4
	.....	.....	6,875.9	7,684.5
Public works, job creation, and other economic stimulus	.....	.....	.....	4,000.0
Net new budget authority for appropriated programs	.....	.....	6,875.9	11,684.5

[1] The Administration is requesting an obligation limitation of $11,600,000,000 for fiscal year 1983. The Committee believes the fiscal year 1983 obligation limitation should remain at $12,100,000,000.

[2] The Administration's budget assumes $492,000,000 in offsetting receipts. Of this amount, $454,000,000 would come from increased user fees.

[3] The Administration has asked Congress to shift $110,000,000 from fiscal year 1983 Construction to fiscal year 1983 Operations and Maintenance; $30,000,000, from fiscal year 1983 Construction to fiscal year 1983 Mississippi River and Tributaries; and to defer $40,000,000 from fiscal year 1983 Construction to fiscal year 1984 Construction. This would result in $1,241,000,000 for Construction in fiscal year 1983 and $945,000,000 in fiscal year 1984.

[4] The Office of Water Research and Technology was dissolved by Secretarial Order on August 25, 1982, and water research activities have been transferred to the Bureau of Reclamation.

[5] The Administration has requested $2,148,200,000 in obligation authority for the Federal Buildings Fund in fiscal year 1984. The estimated net outlays for this Fund in fiscal year 1984 are −$137,461,000.

GENERAL OVERVIEW

Section 310(c) of the Congressional Budget Act of 1974 requires every standing committee of the Senate to submit to the Budget Committee, by March 15, its views and estimate of the total amounts of new budget authority and resulting outlays for programs under the Committee's jurisdiction for the coming fiscal year. Because of the expedited consideration of the First Concurrent Budget Resolution, the Committee has expedited its own review of the President's fiscal year 1984 budget request in order to transmit its recommendations by March 1.

The Committee has given the President's budget request for fiscal year 1984 full consideration. The President requested a total of $7,348 million in new budget authority for all programs under the Committee's jurisdiction excluding the Federal-aid highway program for which the Committee has direct spending authority. This is an 11 percent decrease compared to the fiscal year 1983 appropriated levels for these programs.

The Committee recommends new budget authority of $8,011.9 million for fiscal year 1984 for the programs within its jurisdiction excluding highways. For the Federal-aid highway program, the Committee recommends $13.0 billion in new budget authority with an obligation limitation of $12.1 billion for fiscal year 1983, and new budget authority of $13.4 billion with an obligation limitation of $12.6 billion for fiscal year 1984. In addition, the Committee recommends $4 billion in new budget authority in fiscal year 1984 for public works, job creation, and other economic stimulus legislative initiatives.

The Committee recommends increases in the following areas:

(1) Dedicated funds

Federal-aid highways.—The President requested $13.0 billion in new budget authority with an obligation limitation of $11.6 billion for fiscal year 1983.

The Committee recommends $13.0 billion in new budget authority with an obligation limitation of $12.1 billion for fiscal year 1983. This is the amount established by the Surface Transportation Assistance Act of 1982 (STAA). This program is funded by user fees which were increased by the STAA and which can only be spent on the highway program. The Committee believes it is important to make these funds available to States as quickly as possible.

(2) Natural resources and the environment

(a) *Water resources.*—The President requested $2.6 billion for the Corps of Engineers with offsetting revenues of $454 million for fiscal year 1984.

17-242 O - 83 - 2

The Committee recommends $2.9 billion in new budget authority for the Corps and is assuming $327.4 million in offsetting revenues from increased user fees, which it believes reflects a more realistic view of what may ultimately be recovered from user fees.

The President requested no funds for the Water Resources Council and the Office of Water Research and Technology. The Committee recommends $36.2 million for planning and research activities and water policy coordination.

(b) *Environmental Protection Agency.*—The President requested $3,659 million for the Environmental Protection Agency. Of that amount, $948.6 million is for the agency's operating budget, $2.4 million is for the construction grants program, and $310 million is for Superfund.

The Committee recommends an increase of $100 million for wastewater treatment construction grants and $191.7 million for the agency's operating budget.

The Committee recommends the $100 million increase in construction grants to carry out the program authorized in P.L. 97–117 to correct the serious environmental problem caused by combined sewer overflows into bays and estuaries. This would provide half of the $200 million authorized for this program in fiscal year 1984 by the 1981 amendments to the construction grants program.

The Committee's recommendation of the $191.7 million increase in EPA's operating budget for a total of $1,140 million reflects the Committee's fiscal year 1983 recommendation plus inflation. The Committee believes this amount represents the minimum level of funding which will enable the agency to carry out its responsibilities.

(c) *Fish and Wildlife Service.*—The President requested $266.5 million in new budget authority for the agency. The Committee recommends $293.6 million—an increase of $27.1 million. The Committee's recommendation for fiscal year 1984 is identical to the amount appropriated for this program in fiscal year 1983. The recommended amount will enable the agency to continue its important land acquisition program.

(3) Legislative initiatives

The Committee recommends $4.0 billion for fiscal year 1984 for legislative initiatives within the Committee's jurisdiction in the areas of public works, job creation, and possible other economic stimulus programs. Various legislative proposals are being considered, and the Committee believes it is important to indicate that it intends to act on these initiatives.

(4) Outyear budget projections

It is difficult to predict future levels of spending for the programs within the Committee's jurisidiction. The economic situation, new legislative initiatives, changing priorities, and unforeseen circumstances will all affect the Committee's recommendation for spending levels in the future. The Committee has assumed additional spending of $5.0 billion a year for infrastructure needs beginning in fiscal year 1985 bringing the total for the out years to $9.0 billion. With the exception of that program, the spending levels for the programs within the Committee's jurisdiction are likely to

remain fairly constant, with adjustment for inflation during fiscal years 1984 through 1988.

FEDERAL HIGHWAY ADMINISTRATION

The Committee's fiscal year 1984 recommendation for the Federal-aid highway program is $13.4 billion in budget authority with an obligation limitation of $12.6 billion. This significant increase over fiscal year 1983 levels is due to passage of the Surface Transportation Assistance Act of 1982, which provided new authorizations for the Federal-aid highway program for fiscal years 1983 through 1986 and extended the Highway Trust Fund and its taxes until October 1988.

The Surface Transportation Assistance Act of 1982 provided approximately $13.2 billion in new contract authority with an obligational limitation of $12.75 billion. These higher spending levels reflect increased highway user fees also put in place by this Act. The Federal gasoline and diesel fuel tax was increased from 4 to 9 cents per gallon. Other excise taxes were also increased. These new taxes will generate an additional $5.5 billion in revenues each year, which will go into the Highway Trust Fund.

The President's fiscal year 1984 budget request asks for a $500 million reduction in the obligation limitation for the highway program in fiscal year 1983. This would reduce the ceiling from $12.1 to $11.6 billion.

It has always been primarily the obligation limitation and not budget authority that controls outlays in the Federal-aid highway program. The Committee believes that the obligation limitation for fiscal year 1983 should be retained at the level of $12.1 billion which is now in law. For fiscal year 1984, the Committee recommends the President's budget request for an obligation limitation of $12.6 billion. An additional recommendation is that no first quarter obligational controls be placed on the program in fiscal year 1984.

The President's proposed reduction in fiscal year 1983 would require taking back obligational authority from each State since the authority for fiscal year 1983 has already been divided and allocated to the States. While States would not lose their allocated contract authority, the amount they could actually spend in fiscal year 1983 would be reduced.

The Committee has established a long record on the needs of the highway system and the current state of road disrepair. During the 97th Congress, the Committee's Transportation Subcommittee held approximately 20 days of hearings on the condition of the highway system, the status of the Trust Fund, responsibilities of various levels of government, and the allocation of costs among users of the highways. This helped lay the groundwork for passage of both interim legislation in the form of the Federal-Aid Highway Act of

1982 and the major, multi-year Surface Transportation Assistance Act of 1982.

The new highway user fee structure is now in place, and the Committee believes it is important that those who use the road system and pay increased fees see benefits as quickly as possible. The States are obligating this money very quickly. They have obligated over $900 million in January 1983—the second highest level of obligation during any January in history. In February 1983, $1.1 billion was obligated, the highest amount ever for a February. These are encouraging indications that rapid progress can be made in bringing under control the rate of deterioration and further protecting the significant capital investment already made in our highway system.

The Surface Transportation Assistance Act of 1982 provides $14.6 billion in new budget authority for fiscal year 1985 with an obligation limitation of $13.55 billion. For fiscal year 1986, it provided $15.4 billion in new budget authority with an obligation limitation of $14.45 billion.

NUCLEAR REGULATORY COMMISSION

The Committee recommends $466.8 million in fiscal year 1984 for salaries and expenses of the Nuclear Regulatory Commission. This recommended ceiling is the same as the Administration's fiscal year 1984 budget request for the agency. The Committee recommendation represents a decrease of $12.7 million from the amount requested by the Administration for fiscal year 1983 and a decrease of $7.7 million from the amount appropriated for fiscal year 1983.[1]

Pending consideration of an authorization for the Nuclear Regulatory Commission, the Committee neither endorses nor opposes any particular activity, programs, or program level of the Nuclear Regulatory Commission. The Committee intends to review the NRC's proposed budget request for fiscal years 1984 and 1985 in more detail during authorization hearings and will have further recommendations at that time.

As part of its continuing review of the NRC budget request, the Committee intends to strive for additional economies beyond those already included in the Commission's request that may permit a reduction of the recommended budget ceiling, consistent with protection of the public health and safety and the environment, and recognizing the additional demands that have been placed on the agency.

[1] NRC's fiscal year 1983 appropriation, which is included in the Energy and Water Development Appropriation bill, has not yet been acted upon by either the full Senate or House. The NRC is currently being funded under Public Law 97-276, "Continuing Appropriations for Fiscal Year 1983," at a "current rate" of $462,504,000.

WATER RESOURCES

Three water resource programs are within the jurisdiction of the Committee on Environment and Public Works: (1) the U.S. Army Corps of Engineers, (2) the water planning activities that prior to 1982 were within the scope of the Water Resources Council, and (3) the water research work within the Department of the Interior.

For the Corps of Engineers, the President has requested expenditures of $2,594,100,000 for fiscal year 1984. The President also recommended offsetting revenues of $454 million from user charges covering a portion of the expenditures for iniand waterways and coastal port maintenance, together with increased recreational fees.

Thus, net expenditures for the Corps in fiscal year 1984 would be $2,140,100,000. This net spending level is approximately $853 million less than 1983 appropriations for these activities.

The President requested no funds to continue work under the Water Resources Planning Act, and he requested only $500,000 for Federal water research activities by the Department of the Interior.

Background

The continuing erosion of the Nation's commitment to water resources development threatens to weaken economic progress. In the President's fiscal year 1984 Budget the construction program of the U.S. Army Corps of Engineers is sharply reduced, continuing a decline which began in the mid-1960's.

The President's Budget, after some requested shifting of funds provided by the fiscal year 1983 Continuing Resolution, calls for expenditures of $945 million on the Corps' "construction general" account, plus another $290 million for its Mississippi River and Tributaries Flood Control project (MR&T), $190 million of which would go toward construction. It is from these two accounts that the Corps protects communities against flooding, develops hydropower resources, improves navigation, augments water supply, and protects our beaches.

By comparison, the actual fiscal year 1983 obligations, (lower than the levels provided by the Continuing Resolution), will be $1,241 million construction and $293 million MR&T. Thus, the fiscal year 1984 request slashes $299 million from these two programs, a cut of approximately 20 percent.

Further, the request plunges spending on the Corps' construction program to a figure 71 percent below where it stood 17 years ago, when calculated in constant dollars. At the same time, the Corps' operation and maintenance budget has nearly doubled over that same 17-year interval.

17-242 O - 83 - 3

The Budget calls for a number of new project starts, utilizing a cost-sharing standard that imposes a greater than traditional commitment from non-Federal interests. For each new project in the Budget, the Corps of Engineers has worked out a tentative agreement with non-Federal sponsors to pay the higher non-Federal share.

The Budget, as noted, also assumes $454 million in new user charge income.

The Administration once again seeks to eliminate funding for the Federal water resources research program, as well as programs that coordinate Federal water policy and provide State water program grants on a matching basis. This runs counter to the Committee's past support of a strong water resources research program and Federal water policy coordination as necessary components of a sound Federal water resource strategy.

COMMITTEE RECOMMENDATIONS

I. SPENDING LEVELS

The Committee endorses, for fiscal year 1984, a water resources program at a level identical to the level the Committee recommended one year ago for fiscal year 1983. Specifically, this means that the fiscal year 1984 program levels would be as follows:

Army Corps of Engineers	$2,921,500,000
Water research and Federal water policy coordination	36,200,000

II. NEW PROJECT COST-SHARING

A supplemental request to the President's budget for fiscal year 1983 called for a new cost-sharing approach on nine water resources development projects. The fiscal year 1984 Budget includes a total of 13 new construction starts for the Corps, each with higher than traditional non-Federal cost sharing. Each of the 13 projects, with the higher non-Federal share appears to have strong support from local sponsors including written agreements as appropriate. Last year, this Committee held hearings on similar project proposals, then voted to endorse this concept for the submitted projects. The Committee took the position that fiscal reality forces non-Federal interests to provide a higher share of the costs; otherwise it is unlikely there would be any new projects.

The Committee reiterates its recommendation, and urges the Committees on the Budget and Appropriations to include these 13 projects in the Corps' fiscal year 1984 construction program, as recommended by the Administration. This Committee supports a strong and effective program of water projects. It supports more, not less, Federal work on economically feasible and environmentally sound projects. But, in return, the Committee expects a greater contribution from non-Federal interests.

The Committee does not view this recommendation as setting a precedent for future action. It is uncertain whether the precise levels of cost-sharing requested by the Administration for these projects are the most appropriate to apply generally. Further, the Committee is uncertain as to whether these projects have the high-

est priority among those in the Corps' backlog of authorized projects.

III. USER CHARGES

The Budget assumes $454 million in new user charge revenues in fiscal year 1984. This would involve inland waterways and deep-draft user charges, as well as new recreational fees.

The assumption appears unrealistically high, given the slow pace in resolving national water resources policy issues. Nevertheless, the Committee has included a reduced calculation of $327,400,000 in user charges. If the Congress can resolve the issue of deep-draft port charges alone, the Committee estimate of revenues from user fees may prove more realistic than the higher Administration estimate. In addition, the Committee estimate includes the existing inland waterway fuel tax, plus some new, however modest, recreational fees and inland waterway fees.

Major rehabilitation of inland navigation facilities and the issue of how to equitably share the costs of such rehabilitation, will be considered in legislation later in this Congress.

IV. WATER RESEARCH AND COORDINATION

In order to assure a continued effort to resolve water resources research problems, as well as to promote an effective program for coordinating Federal water policy efforts, the Committee also recommends that $36.2 million be budgeted in fiscal year 1984 for a Federal water resources research program and to the National Board on Water Policy, if established, to coordinate water policy and provide matching program grants to the States.

During the 97th Congress, the Committee reported a bill (S. 1095) establishing a National Board on Water Policy to coordinate Federal water resource programs in cooperation with the States, fund State water planning activities, and to continue water research programs. The Committee recommended funding these programs in its fiscal year 1982 and fiscal year 1983 budget recommendations.

V. WATER POLICY

The Committee reiterates its plea to the Administration that it work with the Congress to resolve the many issues concerning national water resources policy. The Committee urges the Administration to make concrete legislative proposals on cost-sharing and project selection to break the current stalemate in water resources development.

FISH AND WILDLIFE SERVICE

For the U.S. Fish and Wildlife Service, the President's budget request for fiscal year 1984 is $475.9 million. Of this total, $266.5 million has been requested for controllable appropriations, those which exclude permanent appropriations and trusts and require congressional action. This represents a $27.1 million decrease from the fiscal year 1983 spending level of $293.6 million.

Controllable appropriations provide the operating funds for the Fish and Wildlife Service. The requested amount of funding will not enable the Service to adequately perform its responsibilities. Therefore, $293.6 million, a restoration of $27.1 million, in controllable appropriations is recommended. Following is a discussion of how the restored funds should be distributed.

Resource Management

The Resource Management category comprises the largest segment of the Fish and Wildlife Service Budget. The President's fiscal year 1984 request for this category totals $245.3 million, an increase of $3.3 million from the fiscal year 1983 spending level. The Committee recommends an appropriation of $248.5 million for Resource Management. The budget levels requested by the President for specific programs should be adjusted as follows:

1. *Habitat Resources—Field Operations.*—The $17.3 million request for field operations includes reductions from fiscal year 1983 levels in predevelopment consultations (−$600,000) and resource contaminant assessments (−$170,000). It is recommended that $250,000 of the $600,000, and $85,000 of the $170,000 reductions be restored.

2. *Habitat Resources—Cooperative Fish and Wildlife Research Units.*—No funds have been requested for this program. The entire $4.6 million proposed to be cut from the fiscal year 1983 spending level should be restored.

3. *Habitat, Wildlife, and Fishery Resources—Research and Development.*—The request for research and development funds within each of these three program areas proposes reductions totaling $2.5 million. It is recommended that a total of $1.2 million be restored for the following programs: Habitat Resources Biological Services (+$600,000), Wildlife Resources Wildlife Research (+$500,000), and Fishery Resources Research (+$115,000).

4. *Wildlife Resources—Refuge Operation and Management.*—The President's request of $90.8 million includes a proposed increase of $14.9 million for refuge maintenance and management. The Committee recommends that $7.2 million of the pro-

posed increase be deferred and that the refuge Operation and Management program receive $83.6 million.

5. *Wildlife Resources—Endangered Species.*—The $17.3 million request for endangered species includes reductions from fiscal year 1983 levels in law enforcement (−$794,000), recovery (−$748,000), and cooperation with States (−$2 million). A total of $4.1 million should be added to the President's request as follows: Law enforcement (+$1 million), recovery (+$650,000, including $150,000 for Western Hemisphere Convention), cooperation with the States (+$2 million), and listing (+$500,000).

Construction and Anadromous Fish

The President's request of $14.4 million for the construction and anadromous fish category includes a request for zero funding of the anadromous fish grants program. In fiscal year 1983, $3.5 million was appropriated for this program, $500,000 of which was used for the emergency striped bass study. A total of $16.4 million should be appropriated for this category, including a restoration of $2 million for the anadromous fish program.

Land Acquisition

No funds have been requested for land acquisition under the Land and Water Conservation Fund. This request represents a reduction of $27.1 million from fiscal year 1983 spending levels. Funds totaling $20 million should be restored so that acquisition of the following priority areas can proceed:

Project:

American Crocodile (Crocodile Lake NWR, FL)
Kirtland's Warbler (Ogemaw State Forest, MI)
San Francisco Bay NWR
Lower Rio Grande Valley NWR
Blunt-nosed Leopard Lizard (Kern NWR, CA)
Leatherback Sea Turtle (Sandy Point, VI)
Mississippi Sandhill Crane (Miss. Sandhill Crane NWR, MS)
Leetown National Fish Center
Tinicum National Environmental Center
Great Dismal Swamp NWR
Cedar Key NWR
Bald Eagle (Bear Valley, OR)
Lower Suwannee NWR
Mason Neck NWR
Hawaiian Waterbirds (Kealia Pond, HI)
Minnesota Valley NWR
Trustom Pond NWR
Wertheim NWR
Pahrump Killifish (Desert NWR, NV)
Bogue Chitto NWR

No funds have been requested for land acquisition under the Migratory Bird Conservation Account-advance (Wetlands Loan Act). This request represents a reduction of $2 million from fiscal year 1983 spending levels. The $2 million should be restored.

ENVIRONMENTAL PROTECTION AGENCY

I. Operating Budget

The Committee recommends an operating budget for the Environmental Protection Agency programs of $1,140,306,000. This figure represents the same level of funding for the operating programs of the Agency as the Committee recommended in its report one year ago, plus an increase of 5 percent to accommodate the effects of inflation during that year. The Committee recommends that the following funding levels be established in each of the four accounts within the Agency's operating budget: Salaries and expenses: $582,861,000; Research and Development: $162,031,000; Abatement, Control, and Compliance: $391,612,000; Buildings and Facilities: $3,802,000.

A. SALARIES AND EXPENSES

The funding level recommended by the Committee represents a 5 percent increase in the salaries and expenses funding level recommended by the Committee for fiscal year 1983. Retaining qualified personnel at appropriate salaries will be essential for the maintenance of effective program administration at the Environmental Protection Agency. Personnel minimums should be included in the appropriation act to assure continuation of the current level of effort.

B. RESEARCH AND DEVELOPMENT

The levels of funding which the Agency has requested for fiscal year 1984 for the support of research and development programs is inadequate to pursue important research objectives. The Agency's fiscal year 1984 request proposes reductions in funding for health effects research with respect to oxidants in air, hazardous air pollutants, mobile source pollutants, water pollutants, hazardous waste, pesticides, and radiation. It proposes reduced funding for research in environmental processes and effects in oxidants in air, mobile source pollutants, gases and particles, hazardous wastes, pesticides and toxic substances. It proposes reduced funding for development of monitoring systems for oxidants in air, hazardous air pollutants, mobile source pollutants, gases and particles, and toxic substances.

These proposed reductions are unwarranted, particularly in light of the reductions in research and development programs over the last several years at the Environmental Protection Agency. The trend in Agency mission is reflected in the Agency's justification for the proposed reductions: that research be oriented only toward

development of standards which must be applied within currently recognized deadlines. The Committee regards the mission of the Environmental Protecion Agency to be more encompassing: to protect the American public from potentially harmfui substances and pollutants. To accomplish this mission, the Agency must conduct research to identify and better define hazards to human health and the environment as well as regulate and compel clean-up of known harms.

The Committee is particularly concerned about the general trend EPA long-term exploratory research is taking. In commenting on EPA's *Research Outlook 1982* the Executive Committee of the Science Advisory Board made the following observation:

> There is little or no identification of long-term exploratory research needs in *Research Outlook 1982,* and the reader is left to infer that such research has little if any priority within the Agency. Rather than acknowledge new needs in this area, the document is directed toward a defense of the status quo. (p. 3)
>
> *Research Outlook 1982.*—A report of the Executive Committee of the Science Advisory Board, September 21, 1982.

The Committee supports a strong exploratory research program. Increased delegation of the exploratory grants program to the National Science Foundation and elimination of the strategic assessments program are changes that run counter to maintaining a strong explorator effort within the Agency.

The research and development program should also continue, where productive, to develop technological methods of pollution control. In order to enable the Agency to pursue its broad mission, the Committee recommends that funding for the research and development programs be increased to $162,031,000 rather than be reduced to $111,669,000 as recommended by the Administration.

The Administration has proposed completion of the Advanced Utility Model, which is a vital component of this country's acid rain research program. Although completion of the model is proposed, it could be completed sooner if more money were made available. Therefore, the Committee intends that such sums as are necessary should be made available to complete the model at the earliest possible date.

C. ABATEMENT, CONTROL, AND COMPLIANCE

This account contains funding for the execution and enforcement of Environmental Protection Agency regulations and programs. Within this account the Agency proposes major reductions in grants to States. The States use these grant resources to implement those programs which have been delegated to them. In particular, EPA proposes reductions in section 105 grants in the air program, section 106 grants in the water quality program, Clean Lakes grants, Hazardous Waste Management grants, Public Water System Program grants, Underground Injection Control grants, and Pesticide Enforcement grants. In addition, EPA proposed reductions in its own enforcement program for stationary and mobile sources under the Clean Air Act.

The major Federal statutes which the Environmental Protection Agency administers are based on the concept of minimum Federal standards administered by State or local authorities. Federal administration of the minimum standard is provided for where States cannot or will not perform. State responsibility under Federal environmental statutes are growing as a result of increasing delegation by the Federal Government and the completion of rulemakings for additional national standards. It is essential that the States and local governments have available to them adequate resources to carry out their additional responsibilities.

To ascertain the impact that the proposed budget would have on the ability of State and local governments, the Subcommittee on Toxic Substances and Environmental Oversight conducted a hearing on February 16, 1983. The witnesses included representatives of the National Governors' Association, the National Conference of State Legislatures, the State and Territorial Air Pollution Program Administrators, the Association of State and Interstate Water Pollution Control Administrators, and the Association of State and Territorial Solid Waste Management Officials.

Following this hearing the Congressional Research Service (CRS) was asked to summarize the testimony. In a single page summary of the hearing, CRS noted the following points:

> At a Feb. 16, 1983, hearing before the Senate Environment and Public Works Subcommittee on Toxic Substances and Environmental Oversight, witnesses from States urged Congress to reject the Administration's proposed funding level for State environmental program management grants. Rather than the proposed $172.8 million for grants, witnesses recommended that these programs be funded at fiscal year 1982 levels, a total of $229.3 million.
>
> Federal financial assistance accounts for 45 to 50 percent of State environmental program budgets. It is a higher proportion of some media activites, such as hazardous waste management, where Federal funds account for 65 to 70 percent of total funds. States today are responsible for significant day-to-day management of national environmental programs. For example, States administer 70 percent of the water quality program.
>
> Witnesses from States and State organizations said that, if Congress were to approve the recommended 26 percent reduction in Station grants, ambient monitoring and source inspections would be significantly cut back first in most States. The consequences would be to impair the ability of States to determine amounts and sources of pollution; assess compliance and program success; and, ultimately, maintain credible programs.
>
> Significant permitting delays also are likely to occur if requested funding levels are approved, witnesses said. The consequence would be costly delays for industry.
>
> Witnesses said that reverse delegation (the returning to EPA of program responsibility previously delegated to the States) remains a threat to the Federal-State patnership for managing environmental programs, if State grants are

reduced as requested. NPDES and PSD permitting programs are likely to be returned to EPA first, they indicated. The consequence would be added burdens on EPA for the returned activities, disruption of the intergovernmental partnership, and less environmental protection.

Witnesses rejected Administration contentions that Federal regulatory reform, availability of permit or user fees and interfund substitutions, potential for more State efficiency, and maturity of certain environmental programs justify the requested grant reductions.

Too assure the ability of State and local governments and EPA to carry out their responsibilities to control pollution, the Abatement, Control, and Compliance budget should be increased to $391,612,000 rather than be reduced as proposed in the President's budget. In any event, State grants should not be less than in 1983.

II. Wastewater Treatment Grants

The Committee recommends that the new budget authority for the wastewater treatment construction grants program be $2.5 billion. This amount is the same as that recommended by the Committee for fiscal year 1983. This funding level contemplates changes in the Clean Water Act made by P.L. 97-117, establishing a program to correct the serious environmental problems caused by combined sewer overflows.

III. Superfund

The Committee recommends that the funds available for expenditure by the Environmental Protecton Agency under the Hazardous Substance Response Trust Fund, established by the Comprehensive Environmental Response, Compensation, and Liability Act (Superfund) be established at the level of $310,000,000. This level, $100,000,000 greater than that appropriated to the Environmental Protection Agency in fiscal year 1983, is attributable to a proposed increase in the number of removal and remedial response actions which the Agency contemplates under CERCLA. This level of obligational authority for the Superfund program compares with available fiscal year 1984 resources of $767 million.

Funding of those elements of the Superfund program for which the Departments of Health and Human Services (HHS) and Interior are responsible has not been carried out as directed by the Congress. Despite congressional efforts to ensure that $8.0 million be directly appropriated to HHS in fiscal year 1983, those funds have not yet been provided to the Department by EPA. Further, although HHS requested $6.4 million for fiscal year 1984, the President's budget proposes only $1.9 million. The Committee consequently intends that $6.4 million of the fiscal year 1984 request be allocated directly to HHS. Future HHS budget requests should be submitted directly to the authorization and appropriation Committees of the Congress.

As a general rule, the costs of administration incurred by agencies implementing the Superfund law cannot be paid with Fund monies. A broad exception to this general rule is contained in sec-

tion 111(a) which allows for the payment of "costs and expenses (which) are reasonably necessary for and incidental to the implementation of this title."

The Environmental Protection Agency has taken the position that the use of "this title" precludes Fund payment for the development of the natural resource damage regulations which are required under 301(c)(1). This position is incorrect.

Although section 301(c)(1) is the specific section of the law requiring the regulations to be promulgated, the regulations themselves are for the purpose of expediting and simplifying all of the activities mandated by title I. Without such regulations, the implementation of the section 104 response authorities, the development of the contingency plan under section 105, the abatement of imminent and substantial endangerments under section 106, and the imposition of liability under section 107 would all be vastly more complicated and time-consuming. Thus, the promulgation of the natural resource damage regulations, while required by a provision of title III, are nonetheless "reasonably necessary for and incidental to the implementation of" title I. Therefore, the costs of developing these should be paid by the Superfund.

TENNESSEE VALLEY AUTHORITY

The President's fiscal year 1984 budget request for the Tennessee Valley Authority (TVA) is $122.5 million. This request supports TVA's non-power programs which are based on the mandate in the TVA Act to promote conservation and development of resources in the Tennessee Valley. The Committee recommends the funding levels proposed by the President at $122.5 million. The following areas are funded:

Natural Resource Development.—These programs focus on natural resource management, including such activities as water resource projects to enhance navigation, aid in flood control, and enhance fisheries and aquatic ecology. Land and forest management programs promote growth and use of timber resources and promote wildlife development. An important area of effort concentrates on environmental protection of public lands and waters and regional air quality management.

Economic and Community Development.—These programs provide technical expertise and assistance to local communities in their effort to build strong local economies and create local jobs. Self-help projects such as local flood damage prevention projects, Townlife community improvements, and continued support of navigation-related growth are included.

Agricultural Resource Development.—These programs concentrate on upgrading agricultural efficiency, productivity, and income in the Valley States by introducing new technologies, including conservation, improved fertilizers, high-value crops, farm management systems and marketing innovations. The program is carried out largely through State land-grant universities and extension organizations to demonstrate solutions to agricultural problems.

National Fertilizer Development.—These programs include fertilizer research activities to develop better fertilizers, create more efficient ways to manufacture them, demonstrate ways to use fertilizers more effectively and introduce new technology to the agricultural community. This is one of two national programs developed by TVA and one from which TVA received non-power revenues from sale of experimental fertilizer.

TVA has made a concerted effort to refocus and shift its programs to take best advantage of limited resources. The agency continues to evaluate its programs to make them more responsive and cost effective. TVA has increased the use of fees where possible to recover costs. It is transferring programs to the private sector and to other Federal and State agencies where appropriate. TVA has eliminated some programs based on internal prioritization of needs. The remaining economic and community development efforts will focus on the objective of promoting economic development through

local initiative and self-reliance rather than continuing dependence on the Federal Government. TVA's remaining research and demonstration efforts are limited to high-risk initiatives that have potential benefits for the Nation. TVA is accelerating transfer of programs in natural resources to the States or the private sector. Yet TVA must maintain the facilities and natural resources which have been entrusted to TVA's stewardship, and adequate resources for this task must be maintained.

DISASTER RELIEF

The Committee recommends no new budget authority for the disaster relief programs of the Federal Emergency Management Agency in fiscal year 1984. Estimated unobligated balances of $431 million should be sufficient to fund the disaster program at the current program level. Obligations in 1984 are estimated to be $225 million.

A number of amendments to the Disaster Relief Act of 1974 may be proposed later this year. Enactment of new legislation could be expected to include program changes, but taken together they are not expected to have a significant net impact on the current level of expenditures.

Because future disasters cannot be known in advance—in either their number or severity—budget estimates for disaster relief are rather hypothetical and based upon averages of past experience. The Federal Emergency Management Agency—based upon historical activity—projects budget requests of $325 million annually, beginning in fiscal year 1985 through fiscal year 1988.

PUBLIC BUILDINGS SERVICE

No budget authority is recommended for the Public Buildings Service (PBS) of the General Services Administration fiscal year 1984. The Committee estimates net outlays of minus $137 million.

Budget Accounting

Although no budget authority is required, the PBS will obligate more than $2 billion in fiscal year 1984. The sharp contrast between this level of activity of the PBS and the lack of new budget authority dramatizes the point the Committee has been making about the public buildings program for years: it is a huge expenditure, over which there is little oversight in the congressional budget process.

The various activities of the Federal building program are funded through collections of rent-like user fees referred to as Standard Level User Charges (SLUC). These charges are levied on individual agencies occupying space provided and managed by GSA. User-charge financing was adopted (among other reasons) as a means to properly account for facility costs as part of agency operating expenses and to encourage economies in the amount of space used. The SLUC collections are deposited into an intragovernmental account, the Federal Buildings Fund (FBF), from which funds are committed to the various PBS program components. Budget authority for these SLUC revenues resides not in the commitments made by the Fund, but in the administrative budgets of the numerous agencies from whom the revenues are collected. Budget authority for this multibillion dollar program is thus spread across every function of the budget and dispersed among all the separate appropriations acts. These SLUC payments are minor items in the administrative budgets of each of the Federal agencies and attract little executive or congressional scrutiny, although they add up to more than $2 billion.

At no time in the congressional budget process each year is this multibillion dollar Federal buildings program examined as a whole. Moreover, the reporting of the flow of funds into and out of the Federal Buildings Fund account on a net basis results in such small net amounts that they usually receive little notice as a significant cost item.

Legislation may be offered this year to restructure the Federal Buildings Fund account to show budget authority within the context of current user-charge financing, beginning in 1985. While not affecting the 1984 budget, if enacted, such legislation would require accounting changes (intergovernmental transfers) in the out-years.

Leasing Versus Ownership

The Committee is also concerned—as it has been for some years—that the GSA leasing costs are virtually out of control. The scope of the leasing problem is enormous and growing. The 1984 Budget calls for a record expenditure of $852 million for leasing. That amount is 62 percent more than was spent on leasing property in fiscal 1980.

The current structure of the Federal Building Fund builds in a pro-leasing bias, which reinforces more general pro-leasing biases generated by the pressure to limit government expenditures in the short run and by deficiencies in long-run planning by GSA for future Federal space needs. These biases favor leasing at the expense of long-term economies that can be achieved by construction and ownership of Federal buildings.

The Public Buildings Act of 1983 (S. 452) states that it is the sense of the Congress that within 10 years 80 percent of government personnel in office space under the control of the GSA should be housed in Government-owned space.

Full Funding of Leases

The Committee has twice reported legislation to correct the GSA current budget and accounting practice (a practice which the Committee is told is inconsistent with Office of Management and Budget guidelines) of reporting only the current year's obligation for a lease. That obligation understates the Government's contractual commitment of from one to twenty times the annual lease amount. According to the most recent figures provided to the Committee by the GSA, the unaccounted obligation which will be required to liquidate existing GSA leases presently exceeds $2.3 billion, and is growing rapidly. The Committee believes an accounting change should be made to reflect the true commitments of leases. Legislation (S. 452) has been introduced to effectuate the change, beginning in fiscal year 1985.

Policy Implications of S. 452 Relative to Current Policy

If S. 452 were enacted, effectuating the changes discussed above (that is, creation of budget authority in the Federal Buildings Fund, an investment in new construction to provide a 80 percent to 20 percent mix of government-owned to leased space, and full funding of lease commitments) the CBO estimates net impact on government wide budget totals relative to current policy would be as shown in the following table in the fiscal years 1985–1988:

[In millions]

Fiscal year	Budget authority	Outlays
1985	$800	$100
1986	200	100
1987	200	100
1988	−100	100

INFRASTRUCTURE/JOBS/ECONOMIC STIMULUS

This Nation must move aggressively to reverse the deterioration of its infrastructure. Congress and the President began that effort last year, with passage of the Surface Transportation Assistance Act of 1982. We must renew that effort during the 98th Congress, paying greater attention to public capital investment needs, work that will also create long-term and worthwhile jobs.

The Committee on Environment and Public Works is in the process of conducting a series of hearings on this issue. It expects to report legislation this year, possibly through matching grants to the States or grants to create revolving funds that will be utilized to finance needed infrastructure improvements.

While the scope of that legislation remains uncertain, the need is not. Such legislation falls clearly within the jurisdiction of the Committee on Environment and Public Works.

Therefore, the Committee has included $4.0 billion toward such work beginning in fiscal year 1984, with an additional $5.0 billion added yearly in the out-years bringing the outyear totals to $9.0 billion. This spending would include infrastructure renewal and jobs, with an emphasis on youth employment, and counter-cyclical public works programs.

Within this program, the Committee may address on-going economic development activities. Repair of infrastructure cannot be isolated. Planning and basic public work facilities to meet growth and development needs must be considered in any overall infrastructure program.

○